[Hon'ble Mr. A. Thanu Pillai]

realises better than I do that these provisions are too inadequate to bring him sufficient or all round relief. But more was not possible under the present circumstances All I can say is, that God willing, we shall go on adding to these items from year to year till the entire budget progressively becomes a truly common man's budget.

Prohibition.

The introduction of prohibition in the six taluks of the State adjoining the boundaries of the Madras Province is the major special feature of the Budget this year. An area of more than one thousand square miles will go dry by the first of Chingom 1124 (17th August 1948) and the estimated loss of revenue under this head is Rs. 69 lakhs. But this loss in revenue will, I have no doubt, be richly compensated for by the moral regeneration and economic improvement in the lives of those who will come under prohibition.

Sales Tax.

In order to make good the financial loss due to the introduction of prohibition I propose to introduce a measure of direct taxation, *i. e.* "The Sales Tax" on the lines obtaining in the sister State of Cochin and the neighbouring Province of Madras. The total revenue that would come from the proposed Sales Tax will depend on the items of articles on which the Tax is to be levied and the rates that will be fixed. Moreover, the necessary legislation has to be passed and the tax can be introduced only by the middle of the year. Only a rough estimate of the yield is therefore possible at this stage and a conservative estimate would place it at Rs. 50 lakhs for the next year. But this has not been included in the Budget Estimate.

It is hoped that prohibition will be extended all over the State within the next few years. There is great enthusiasm for the measure among the people and appropriate legislation will be introduced immediately to deal with the preventive and constructive sides of Prohibition.

Income Tax.

The Income Tax Amendment Act I of 1123 provides for relief in the case of earned incomes and it is proposed to give such relief from the 1st Chingom 1124. It is proposed also to revise the rates of income tax and super tax.

Education.

Out of a total of Rs. 193·59 lakhs for Education, Rs 40 lakhs has been set aside for implementing the scheme of compulsory Primary Education. The allotment under noon-feeding of poor children is Rs 5·2 lakhs. Rs 1 lakh has been provided for Adult Education and another 1 lakh for Rural Libraries. Provision of

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